



**CRAWFORD COUNTY AGRICULTURAL SOCIETY
CRAWFORD COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED NOVEMBER 30, 2001

**CRAWFORD COUNTY AGRICULTURAL SOCIETY
CRAWFORD COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Crawford County Agricultural Society
Crawford County
108 West Kilbourne Drive
Bucyrus, Ohio 44820-3242

To the Board of Directors:

We have audited the accompanying financial statement of the Crawford County Agricultural Society (the Society) as of and for the year ended November 30, 2001. This financial statement is the responsibility of the Society's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Society prepares its financial statement on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balance of the Society as of November 30, 2001, and its cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2002, on our consideration of the Society's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Board of Directors, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a stylized flourish at the end.

JIM PETRO
Auditor of State

April 16, 2002

**CRAWFORD COUNTY AGRICULTURAL SOCIETY
CRAWFORD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEAR ENDED NOVEMBER 30, 2001**

	2001
Operating Receipts:	
Admissions	\$133,027
Taxes	367
Privilege Fees	41,409
Sales	630
Rentals	59,274
Sustaining and Entry Fees	72,380
Other Racing Fees and Charges	2,367
Parimutuel Wagering Commission	5,005
Other Operating Receipts	14,651
Total Operating Receipts	329,110
Operating Disbursements:	
Wages and Benefits	33,949
Administrative	11,564
Utilities	38,908
Advertising	16,571
Professional Services	59,782
Equipment and Grounds Maintenance	52,333
Rent and Lease	14,809
Race Purse	109,408
Other Race Expenses	5,204
Senior Fair	8,864
Junior Fair	25,800
Capital Outlay	30,537
Other Operating Disbursements	1,632
Total Operating Disbursements	409,361
Deficiency of Operating Receipts Under Operating Disbursements	(80,251)
Non-Operating Receipts (Disbursements):	
State Support	40,483
County Support	20,500
Restricted Donations/Contributions	10,205
Unrestricted Donations/Contributions	12,054
Investment Income	2,068
Debt Service	(3,928)
Net Non-Operating Receipts (Disbursements)	81,382
Excess of Receipts Over Disbursements	1,131
Cash Balance, Beginning of Year	83,644
Cash Balance, End of Year	\$84,775

The notes to the financial statement are an integral part of this statement.

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**CRAWFORD COUNTY AGRICULTURAL SOCIETY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Crawford County Agricultural Society, Crawford County, (the Society) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Society is a county agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1848 to direct the operation of an annual agricultural fair. The Society sponsors the week-long Crawford County Fair during July. During the fair, harness races are held. Crawford County is not financially accountable for the Society. The responsibility for management of the affairs of the Society is vested in the Board of Directors. The Board is made up of 24 directors serving staggered three-year terms, elected from the membership of the Society. Members of the Society must be residents of Crawford County and pay an annual membership fee to the Society.

Reporting Entity

The reporting entity includes all activity occurring on the fairgrounds. This includes the annual fair and harness racing during fair week. Other year round activities at the fairgrounds include facility rental and track and stall rental. The reporting entity does not include any other activities or entities of Crawford County, Ohio.

The financial activity of the Junior Fair Board and the Junior Livestock Sale Committee is summarized in Note 7 and Note 8, respectively.

The Society's management believes this financial statement presents all activities for which the Society is financially accountable.

B. Basis of Accounting

This financial statement follows the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

This statement includes adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Investments are included in cash balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Budgetary Process

The Board of Directors annually prepare an operating budget, including estimated receipts and disbursements. The Board approves the budget in its final form during the first month of each fiscal year.

**CRAWFORD COUNTY AGRICULTURAL SOCIETY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statement.

F. Income Tax Status

The Society is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Society has also been classified as an entity that is not a private foundation within the meaning of Section 509 (a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(v1). Management is not aware of any actions or events that would jeopardize the Society's tax status.

G. Race Purse

Harness stake races are conducted during the Crawford County Fair. The Society pays all Sustaining and Entry fees and the required portion of the cash received from the Ohio Fairs Fund as Race Purse to winning horses.

Sustaining and Entry Fees

Horse owners and Ohio Harness Horsemen's Association pay fees to the Society to qualify horses for entry into stake races. These payments must be made before a horse can participate in a stake race. These fees are reflected on the accompanying financial statement as Sustaining and Entry Fees.

Ohio Fairs Fund

The State of Ohio contributes money to the Society from the Ohio Fairs Fund to help supplement race purse. See Note 4 for additional information.

H. Parimutuel Wagering

A wagering system totals the amounts wagered and adjusts the payoff to reflect the relative amount bet on different horses and various odds. The total amount bet (also known as the "handle"), less commission, is paid to bettors in accordance with the payoffs, as determined by the parimutuel wagering system. The Society contracts with a totalizer service to collect bets and provide the parimutuel wagering system.

Parimutuel wagering commission (commission) is the Society's share of total parimutuel wagers after payment of amounts to winning bettors. The commission is determined by applying a statutory percentage to the total amount bet and is reflected in the accompanying financial statement as Parimutuel Wagering Commission. See Note 4 for additional information.

2. BUDGETARY ACTIVITY

For the year ended November 30, 2001, the Society had budgeted receipts of \$396,050 and actual receipts of \$414,420, resulting in a variance of \$18,370. Additionally, the Society had budgeted disbursements of \$399,625 and actual disbursements of \$413,291, resulting in a variance of \$13,666.

**CRAWFORD COUNTY AGRICULTURAL SOCIETY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2001
(Continued)**

3. CASH

The carrying amount of cash at November 30, 2001 follows:

Total deposits	\$84,775
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Deposits: Deposits are insured by the Federal Depository Insurance Corporation (FDIC) up to \$100,000 of the bank balance.

4. HORSE RACING

State Support Portion of Purse

Ohio Fairs Fund money received to supplement purse for the year ended November 30, 2001, was \$30,800 and is included within State Support on the accompany financial statement.

Parimutuel Wagering

The Society does not record the Total Amount Bet or the Payoff to Bettors in the accompanying financial statement, rather, it records the Parimutuel Wagering Commission (commission) which is the Society's share of total parimutuel wagers after paying winning bettors. The expenses of providing the parimutuel wagering system are called Tote Services, and these expenses are included in Professional Service Disbursements. State taxes, which are also paid from Parimutuel Wagering Commission, are reflected in Other Operating Disbursements, and the amount remaining is the Society's net portion.

	2001
Total Amount Bet (Handle)	\$48,372
Payoff to Bettors	38,811
Parimutuel Wagering Commission	9,561
Tote Service Commission	4,556
State Tax	1,124
Society Portion	\$3,881

5. RETIREMENT SYSTEM

All employees contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. For 2001 employees contributed 6.2% of their gross salaries. The Society contributed an amount equal to 6.2% of participants gross salaries through November 30, 2001.

6. RISK MANAGEMENT

The Crawford County Commissioners provide general insurance coverage for all the buildings on the Crawford County Fairgrounds pursuant to Ohio Revised Code Section 1711. 24. General liability and vehicle coverage is provided by Specialty National with a limit of \$3,000,000 aggregate. The Society also has a policy with Ohio Farmers Insurance which includes crime coverage for employee dishonesty with limits of liability of \$15,000. The Society's Treasurer and Secretary are bonded with coverage of \$30,000 each.

**CRAWFORD COUNTY AGRICULTURAL SOCIETY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2001
(Continued)**

6. RISK MANAGEMENT (Continued)

The Society provides workers compensation coverage on all employees through the State of Ohio workers compensation fund. Coverage is currently in effect through August 2002.

7. JUNIOR FAIR BOARD

The Junior Fair Board, which is comprised of 4-H, FFA, and FCCLA, is responsible for the Junior Fair Division activities of the Crawford County Fair. The Society disbursed \$25,800 directly to vendors to support Junior Fair activities. The Society was reimbursed \$500 by Crawford County for its support of Junior Club work. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. All Junior Fair Board activity is accounted for in a separate account by the Junior Fair Board. The accompanying financial statement does not include the activities of the Junior Fair Board. The Junior Fair Board's financial activity for the year ended November 30, 2001 follows:

Beginning Cash Balance	\$594
Receipts	5,968
Disbursements	<u>(4,592)</u>
Ending Cash Balance	<u><u>\$1,970</u></u>

8. JUNIOR LIVESTOCK SALE COMMITTEE

The Junior Livestock Committee is a separate committee charged with running the Junior Livestock Auction. This auction is held during fair week. Children may sell their animals directly to market or through the (Name of County) County's auction. Monies to cover the cost of the auction are generated through a 5% commission on champions, 4% commission on reserve champions, and a 3% commission on all others, assessed on the auction price and are retained by the Junior Livestock Committee. The accompanying financial statement does not include the activities of the Junior Livestock Committee. The Junior Livestock Committee's financial activity for the year ended November 30, 2001 follows:

Beginning Cash Balance	\$9,413
Receipts	304,443
Disbursements	<u>(304,510)</u>
Ending Cash Balance	<u><u>\$9,346</u></u>



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Crawford County Agricultural Society
Crawford County
108 West Kilbourne Drive
Bucyrus, Ohio 44820-3242

To the Board of Directors:

We have audited the financial statement of the Crawford County Agricultural Society (the Society) as of and for the year ended November 30, 2001, and have issued our report thereon dated April 16, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Society's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2001-60517-001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Society's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Society in a separate letter dated April 16, 2002.

This report is intended solely for the information and use of management and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

JIM PETRO
Auditor of State

April 16, 2002

**CRAWFORD COUNTY AGRICULTURAL SOCIETY
CRAWFORD COUNTY**

**SCHEDULE OF FINDINGS
NOVEMBER 30, 2001**

**FINDING RELATED TO THE FINANCIAL STATEMENT
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2001-60517-001

Finding for Recovery

On February 14, 2001, the Crawford County Agriculture Society (the Society) entered into a contract with Dakota Enterprises to provide amusement rides for the Crawford County Fair. The terms of the contract provided that Dakota Enterprises would pay the Society twenty percent of the gross sales generated from the amusement rides. Total sales generated from the amusement rides were \$23,638, however, because of footing errors on the daily gross receipts, Dakota Enterprises paid the Society twenty percent of \$21,638. Thus, gross sales from amusement rides were \$2,000 more than the amount used by Dakota Enterprises to calculate the amount owed to the Society. Twenty percent of \$2,000 is \$400 which should have been paid to the Society.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money due but not collected is hereby issued against Dakota Enterprises in favor of the Crawford County Agricultural Society in the amount of \$400.



STATE OF OHIO
OFFICE OF THE AUDITOR

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CRAWFORD COUNTY AGRICULTURAL SOCIETY

CRAWFORD COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 21, 2002**